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TAGS: [PREL](#) [PGOV](#) [PTER](#) [PINR](#) [IZ](#)  
SUBJECT: KDP - PUK RELATIONS: CABINET NEGOTIATIONS SHOW  
CRACKS

REF: A. A. BAGHDAD 1015  
[1](#)B. B. BAGHDAD 1032

Classified By: RRT Erbil U.S. Team Teader Jess Bailly for  
Reasons 1.4 (b,d).

(U) This is an Erbil Regional Reconstruction Team message.

#### Summary & Introduction

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[1](#)1. (C) Through a broad range of discussions with party officials and a drawn out, public airing of party laundry in the press, RRT has learned that mistrust, greed, and political jockeying have greatly delayed decisions on the Kurdistan Region Government's sixth cabinet. Despite six months of negotiations between the Kurdistan Democratic Party (KDP) and Patriotic Union of Kurdistan (PUK) politburos, no final decisions have been made on cabinet posts. The most contentious ministries, Finance, Natural Resources, and Planning, control the largest share of KRG resources. Ministerial horse-trading and PUK and KDP tit-for-tat attacks are regularly reported. The two parties will have to confront their divisions and unite to deal with mounting pressure for a decision on Kirkuk and other disputed boundaries, as well as to push through legislation in preparation for provincial council elections in Iraq. End Summary

#### Parties Continue Operating as Fiefdoms

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[1](#)2. (C) The Kurdistan Democratic Party (KDP) and Patriotic Union of Kurdistan (PUK) negotiations remain locked in prolonged divisions beset by deep mistrust and the inability to manage their competing political fortunes and patronage deals. After nearly six weeks of weekly meetings and some 18 publicly-reported politburo meetings in five months, the two Kurdistan Regional Government (KRG) rivals have yet to reach a decision on a new cabinet (ref A). Party leaders have confided to RRTOffs that the cabinet negotiation meetings have been contentious, with each party accusing the other of taking advantage and failing to negotiate in good faith. Despite the increasingly public wrangling, party insiders tell us that no new cabinet announcement should be expected before KRG PM Nechirvan Barzani returns from the U.S. at the end of May.

#### Complex Negotiations Reveal Little Compromise

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[1](#)3. (C) Senior PUK Politburo member Omer Said Ali told RRTOffs that in the most recent round of cabinet negotiations, the choice was presented as two columns (or bundled packages of ministries) each containing eight ministries (ref B). Remaining lesser portfolios such as Justice would go to the Turkomen, and Civil Society to the Christians. Finance (grouped with Peshmerga) and Natural Resources (grouped with Interior) were split between the two columns, Omer said. The PUK initially chose Natural Resources and Interior, pushing the KDP to ask to hang on to

Natural Resources for an additional six months, to allow time to complete oil-production sharing agreements. The PUK responded by requesting to hold Finance for six months, after which a swap for Natural Resources would be made. The KDP agreed in principle if the deputy minister of finance (KDP) would be given the same power as the minister. The PUK balked at this lopsided arrangement and suggested instead that the KDP take Natural Resources and Finance, and the PUK would take another high-profile ministry ) provided the Natural Resources and Finance could be staffed &vertically and horizontally8 with equal numbers of PUK employees.

#### Current Cabinet Deal

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14. (C) Despite a new cabinet announcement in April, the KRG in its current form soldiers on, with no final cabinet presented to the KNA for approval. (Note: The KNA generally acts only as a rubber stamp to affirm party decisions. End note.). KDP Politburo Director Fadhil Merani told RRTOffs May 14 that the PUK wanted more than its fair share, and was not negotiating in good faith. The columns shifted he said: KDP would now keep Natural Resources, so that energy minister Ashti Hawrami can continue oil contract negotiations. Merani gave a lengthy explanation on how Ashti was introduced to the KDP via the PUK, served only as a technocrat, and alluded that keeping him as minister should not necessary be construed as a win for the KDP, but he was willing to humor the PUK. Merani complained that PUK then returned to the table, and asked for the Ministry of Planning, which controls capital expenditures accounting for almost 40 percent of the 2008 KRG budget. He said that was unacceptable to the KDP,

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but horse-trading ministries with high numbers of employees, and opportunities for patronage, such as health, agriculture, and education, could be discussed. He said he would travel to Dokan and &spend the night with my friend Kosrat8 (Note: Kosrat Rosul is KRG Vice-President and PUK,s Executive Director. End Note) to hammer out final details.

#### Comment

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15. (C) PUK-KDP divisions are nothing new; the relationship between these rival parties remains a difficult one, driven by personalities, mistrust, and graft. Party leaders recognize the need for the PUK and KDP to cease operating as two fiefdoms and to begin to look beyond the KRG. Continued negotiations over the cabinet, and party squabbling could keep the Kurds from achieving their goals on the national stage, and feeds discontentment on the Kurdish street. Competition between the KDP and PUK negatively impacts Kurdish aspirations in Kirkuk. The troubled management of this competition over the last several months may cause delays on broad regional and national issues such as: preparing for provincial elections nation-wide; ratifying the KRG constitution, passing the KRG governorate and election laws; preparing for KRG elections, and forging the united front necessary to settle disputed boundary issues. Moving beyond this infighting would enable the parties to focus on KDP-PUK relations and politics in other provinces ) a priority if the parties hope to influence broader, national questions.

#### Background Biographic Notes on Party Powerbrokers

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Fadhil Merani, KDP Politburo Director

16. (C) Fadhil Merani is married to his second wife, Jiyan Merani. His first wife died of kidney failure in 1994. Jiyan Merani gave birth to their third child, a boy, in April 2008, after a difficult pregnancy. Jiyan is the director of Ronahee Organization for Social and Cultural Development, a prominent NGO based in Erbil. She is also the co-owner of a

large beauty spa, currently under construction in Erbil. Fadhil has at least three children from his previous marriage, including a son who lives in Virginia. Merani said he pays the property taxes on his son's house, about \$9,000 per year, and helped with the down payment. His son has five children, works for Honda as a sales manager, and earns about \$150,000 per year. His son, daughter-in-law, and his children will spend summer 2008 in Erbil. One other son lives in Erbil.

Kosrat Rasul, PUK Leader and KRG Vice-President

17. (U) Kosrat Rasul Ali was elected in 2005 to the vice presidency of the Kurdistan Region, and in 2001 to the position of deputy secretary general (executive director) of the PUK, after resigning as prime minister of the KRG Sulaimaniyah administration, a position he had held since 1996. As PUK PM, Kosrat was largely well regarded as a populist leader. As a Peshmerga commander, he led an assault on al-Qaeda-linked Ansar al-Islam forces in 2003, dislodging the group from its stronghold in the mountain hamlet of Beyara in Sulaimaniyah; and from 1996-98 he commanded Peshmerga forces for the PUK in the Kurdistan civil war. In 1992, Kosrat was selected as a member of the Kurdistan parliament, and in 1993 served as the second prime minister of the KRG.

18. (U) During the 1991 Kurdistan March Uprisings, Kosrat served as a prominent Peshmerga commander, responsible for liberating the cities of Erbil and Kirkuk. After having begun his political career with the KDP, Kosrat assumed leadership roles in the PUK, taking control in 1984-5 of the party's Third and Fourth Centers. He was seriously injured in fighting in 1985, and continues to suffer from wounds to his neck. In 1981, Kosrat became a politburo member of the leftist Komala party and director of its secret branches. Kosrat was arrested in 1977 by Ba'ath Party security services in Kirkuk for organizing political activities, and was released the same year. After his release from prison, he rejoined Peshmerga fighters. He founded the Kurdistan Students Group in Kirkuk with a number of his colleagues in 1976. In 1975, Kosrat joined the Kurdistan Democratic Party and participated in the September Revolution led by Mullah Mustafa Barzani. At the end of 1975, he joined Komala and took over supervision of student activities. Kosrat was born in 1952 in the oil-rich village of Shiwashok, near the city of Koya in Erbil province to a well-known family.  
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